Jury Probing Vesco-White House Link

Post 11/22/78

Associated Press

A federal grand jury here has begun investigating charges that efforts were made on behalf of Robert L. Vesco to convince the Carter administration to halt extradition proceedings against the fugitive financier, sources said yesterday.

A source who asked not to be identified said the grand jury is looking into reports that the alleged scheme involved paying White House aides and associates from Georgia $10 million in stock from Vesco to plead his case.

The New York Times reported yesterday that the investigation was viewed by high-ranking administration officials as an inquiry into the credibility of columnist Jack Anderson, who was instrumental in publicizing the charges.

The Justice Department declined to comment on the investigation and officials refused to say if any grand jury was specifically examining Anderson's credibility.

Carter administration officials have charged that Anderson printed the allegations irresponsibly without checking the facts.

A key witness in the investigation is R.L. Herring, 34, a heavy-equipment salesman from Albany, Ga., conviced last month on federal fraud and racketeering charges unrelated to the Vesco case.

A man identifying himself as Herring telephoned the Associated Press bureau in Miami to say he was being called to testify before the Vesco grand jury in Washington.

Herring has said he hired W. Spencer Lee IV, an Albany, Ga., lawyer, last year to help plead Vesco's case because Lee was a friend of White House chief of staff Hamilton Jordan and another Carter aide, Richard Harden.

Herring has said he and Lee also met with Charles Kirbo, a close friend and adviser to Carter in Atlanta, to discuss the details of acquiring $10 million in stock from Vesco.

Vesco fled the country while under indictment on stock fraud charges and under a federal subpoena in connection with alleged political payoffs to officials of the Nixon administration.

Both Jordan and Kirbo have denied any involvement in the alleged attempt to quash extradition proceedings against Vesco.

Administration officials also have said that Anderson's charges have been discredited by the columnist's acknowledgement that letters purportedly sent by Lee to Jordan and Kirbo discussing the alleged Vesco deal were not actual copes but were reconstructed from memory by Lee's secretary.

Lee has said he was paid $10,000 by Herring to intervene in Vesco's behalf, but he said he was talked out of pursuing the matter by Harden, the White House aide.

Harden has said he discussed the matter with the president in February 1977, shortly after the administration took office. Carter has said he does not recall that conversation, but a memo turned up in Justice Department files in which the president told Attorney General Griffin B. Bell, "Please see Spencer Lee from Albany" when he requests an appointment.

Bell has said he did not see the memo, which his aides said was placed in a file holder that included information pertaining to possible job-seekers with the administration. And Lee never asked for the appointment with Bell.

The Justice Department has said that FBI agents planned to question the president, along with other individuals named in the case.